



DEFENSE FINANCE AND ACCOUNTING SERVICE

1931 JEFFERSON DAVIS HIGHWAY
ARLINGTON, VA 22240-5291

FEB 4 1999

DFAS-HQ/FMM

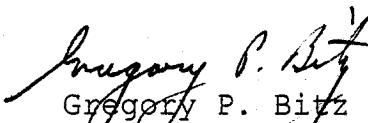
MEMORANDUM FOR DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
CLEVELAND CENTER
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
DENVER CENTER

Subject: Update to the Department of Defense Financial
Management Regulation, Volume 7B, Concerning Special
Separation Benefit (DFAS Item Number H-45)

This is DFAS Interim Number R2-99 to the DoDFMR, Volume 7B.
This change is effective immediately.

We have evaluated your comments on the draft change to the
DoDFMR Volume 7B. The attached final version of the change
includes your comments where appropriate. Assignment of an
interim change number is your authority to start a procedural
modification, if necessary, to facilitate this change. For
Denver Center, use the attached to initiate the formal change to
the DoDFMR Volume 7B.

My point of contact is Mr. Fiti Malufau. He may be contacted
at (703) 607-5061 or DSN 327-5061. Our fax number is
703-607-5061 or DSN 332-5271.


Gregory P. Bitz
Director for Finance

Attachment:
As stated

cc: DASD (MMP) (COMP)
ODGC (F)
DFAS-DE/DG
Service Liaisons
USCG/NOAA/PHS Liaisons
DJMS/PMO

1. Revise paragraph 10452b as follow:

"b. Under the original SSB legislation, a member who received SSB and who subsequently qualified for benefits administered by the Department of Veterans Affairs (VA) was subject to recoupment of the gross amount of the SSB paid to the member. Under Section 653 of Public Law 104-201, for payments of SSB that are made after Sep 30, 1996, the amount subject to recoupment is the total gross amount of the SSB paid, less the amount Federal income tax withheld from such pay. Public Law 105-178 extended the provisions of section 653 to any payment of SSB made during the period Dec 5, 1991, through Sep 30, 1996. The VA shall administer the refund program for members affected by the retroactive period of adjustment. However, no recoupment of SSB is required, regardless of when paid, if the disability for which the member receives VA compensation was incurred or aggravated during a period of later active duty."

2. Add to Bibliography as follows:

"10452b.

P.L. 104-201,
Section 653, Sept 23, 1996

P.L. 105-178,
Section 8208, June 9, 1998"